



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

**Shawn L. Martinez &
North Pacific Claims, LLC**

Licensees.

No. D 08 - 0113

ORDER REVOKING LICENSES

TO: Shawn L. Martinez and North Pacific Claims, LLC
558 Rosario Place NE 558 Rosario Place NE
Renton, Washington 98059 Renton, Washington 98059

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your licenses are **REVOKED**, effective August 6, 2008, pursuant to, among other provisions, RCW 48.17.530(1)(i), RCW 48.17.070, RCW 48.30.040, and RCW 48.17.475.

THIS ORDER IS BASED ON THE FOLLOWING:

A. THE LICENSEES.

1. Shawn L. Martinez ("Licensee Martinez") is a licensed public adjuster, authorized as defined in RCW 48.17.050(3), to investigate or report to his principal relative to claims arising under insurance contracts, who is employed by and represents solely the financial interests of the insured named in the policy. Licensee charges up to 25% of the settlement amount as a fee, sometimes less.
2. Beginning in approximately February 2006, and at all relevant times, Licensee Martinez served as the President of North Pacific Claims, LLC, a corporation domiciled in the state of Washington, also licensed as a public adjuster. North Pacific Claims charges up to 25% of the settlement amount as a fee, sometimes less. Licensee Martinez is the sole owner and employee of North Pacific Claims, LLC.

B. BACKGROUND AND RELEVANT FACTS.

3. Under WAC 284-30-320(3), "First party claimant" means an individual, corporation, association, partnership or other legal entity asserting a right to payment under an insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by such policy or contract.

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4. Under WAC 284-30-320(8), "Third party claimant" means any individual, corporation, association, partnership or other legal entity asserting a claim against any individual, corporation, association, partnership or other legal entity insured under an insurance policy or insurance contract of an insurer.
5. From on or about October 2005, Licensees represented, negotiated, and settled insurance claims on behalf of at least four third party claimants in personal injury and property damage cases. The exact number is unknown inasmuch as Licensee Martinez refused to supply specific claims information to the Office of Insurance Commissioner (OIC).
6. From on or about January 2006 to August 27, 2007, Licensee Martinez was employed as a paralegal at the law firm of Alder Giersch, P.S. Until July 2006, L.R. was a client of the law firm in regard to a personal injury claim that arose on June 12, 2006. Licensee Martinez was the paralegal assigned to L.R.'s case. L.R. was discharged from representation by Adler Giersch because Licensee falsely reported to management that L. R. was uncooperative with his request that she have her car inspected. In his demand letter dated May 23, 2007, Licensee Martinez informed Progressive Insurance Company that North Pacific Claims now represented L.R. in regard to the same personal injury claim.
7. On at least two occasions, Licensee Martinez falsely indicated that he was a representative of Adler Giersch, P.S. In one instance, Licensee Martinez sent a letter to Viking Insurance Company, with whom he was negotiating a damage claim in regard to his own personal automobile, using the firm's name above his signature. In the other instance, Licensee Martinez used an Adler Giersch facsimile cover sheet to send a letter to L. R., one of his third party claimant clients who was no longer a client of the law firm.
8. During the OIC's investigation into this matter, the Licensees failed to respond to the OIC investigator's repeated requests for information on the number of consumers he assisted with a claim, the number of third party claimants he assisted, the name of each insurer with whom he negotiated claims, and what records he maintained on each claim.

C. VIOLATIONS OF THE INSURANCE CODE.

9. Based on the foregoing, the Licensees have violated the following regulations and provisions of the Washington State Insurance Code, Title 48 RCW:
 - a. Licensees violated RCW 48.17.530(1)(i) by negotiating and settling with

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insurers for personal injury and property damage claims on behalf of third party claimants, when as a public adjuster, their licenses only permit them to be employed by and represent the interests of first party claimants.

- b. Licensees violated RCW 48.17.475 by failing to promptly reply in writing to an inquiry of the Commissioner relative to the business of insurance.
- c. The Licensees violated RCW 48.01.030(1) by acting in bad faith, by engaging in deceptive and/or dishonest and/or inequitable acts or practices, and by failing to preserve the integrity of the business of insurance.
- d. The Licensees violated RCW 48.30.010(1) by engaging in unfair methods of competition in the business of insurance and/or by engaging in unfair or deceptive acts or practices in the conduct of the business of insurance.
- e. The Licensees violated RCW 48.30.040 by knowingly making, publishing, or disseminating false, deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance or relative to any person engaged therein.

By reason of your conduct, and your violations of Title 48 RCW, you have shown yourselves to be, and are so deemed by the Commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be a public adjusters in the state of Washington. Accordingly, your licenses are revoked pursuant to RCW 48.17.530(1) (b), (h), and (i), and RCW 48.17.540(2).

IT IS FURTHER ORDERED that you return your insurance public adjuster's license certificates to the Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for

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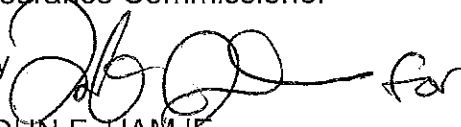
hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attn John F. Hamje, Deputy Insurance Commissioner, Consumer Protection Division, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 17th day of July, 2008.

MIKE KREIDLER
Insurance Commissioner

By

 for
JOHN F. HAMJE
Deputy Insurance Commissioner

Investigator: Tom Talarico

DECLARATION OF MAILING

I certify under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to **Shawn L. Martinez & North Pacific Claims, LLC.**

Dated: July 17, 2008
At Tumwater, Washington


Victoria Estrada

NOTICE OF YOUR RIGHT TO A HEARING

You have the right to demand a hearing to contest this Order. During this hearing, you can present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your Demand for Hearing should be sent to John F. Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Your Demand for Hearing must be made within 90 days after the date of this Order, which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.